# LACK OF HOUSING

## The Social Injustice of the 21st Century

2022 – 2023

LOS ANGELES COUNTY

CIVIL GRAND JURY

October 6, 2023

Samantha P. Jessner
Presiding Judge
Superior Court of California, County of Los Angeles
Clara Shortridge Foltz Criminal Justice Center
210 W. Temple Street, Thirteenth Floor, Room 13-303
Los Angeles, CA 90012

**Re: Lack of Housing: The Social Injustice of the 21st Century Report by the 2022-2023 Los Angeles County Civil Grand Jury**

Dear Honorable Judge Samantha P. Jessner:

The City of Los Angeles acknowledges receipt of the 2022-2023 Los Angeles County Civil Grand Jury Report regarding Lack of Housing, its findings and recommendation. The City respectfully submits Attachment A as the City's formal response.

For additional questions or comments, your staff may contact Jenna Hornstock, Deputy Mayor of Housing, at jenna.hornstock@lacity.org.

Karen Bass

KAREN BASS
Mayor

Paul Krekorian

PAUL KREKORIAN
City Council President

## CITY OF LOS ANGELES RESPONSE TO THE CIVIL GRAND JURY FINAL REPORT

Subject: 2022-2023 Civil Grand Jury Recommendations For: Lack of Housing: The Social Injustice of the 21st Century

**Recommendation 1.1 Going forward, the city and county should ensure subsidy funding for EHV vouchers.**
The city agrees in principle, but this finding requires further study. The city aims to ensure that ongoing demand for housing vouchers is met, however it does not have the funds available to directly finance all required operating subsidies. The city continues to lobby state and federal entities to continue or create ongoing funding for housing vouchers, and to ensure that the number of allocated vouchers matches demand. The United to House LA Measure passed in 2022 allocates funding for both rental assistance and operating assistance, and once fully implemented can provide assistance directly to renters meeting certain criteria, and to projects to subsidize operations and services for affordable housing. However Measure ULA is currently facing legal challenges, and these funds cannot be fully implemented until the challenges have concluded. The city is also researching alternative financing mechanisms to housing vouchers, in order to maximize the impact of limited subsidies.

In addition, as clarified in HUD's PIH Notice 2023-14 issued on June 29, 2023, funding for EHV is not ending in 2023 and leasing of EHV will continue beyond 2023 for any public housing authority who has available vouchers.

**Recommendation 1.4 The city should appoint an independent commission to review and approve new housing construction throughout the city.**
The city has conducted extensive research on ways the city should review and approve new housing construction, and this research has demonstrated that establishing additional commissions as part of the review and approval process can hinder housing production, and lead to increased production timeframes and inflated costs. The city is working through various efforts to make more development available through a by-right approval, which will streamline housing construction and have a more meaningful impact on housing production.

**Recommendation 1.5 The city and county should find other ways of funding PSH.**
This recommendation is currently being implemented by the city. The city has been actively analyzing and advocating for alternative ways of funding permanent supportive housing. In 2022 city voters passed the United to House LA Measure, which is estimated to raise roughly $672 million annually. While the ballot measure placed restrictions on uses for the funds, some of the revenue could be available to fund the construction of PSH units. The city is also actively lobbying for more county, state, and federal funding for affordable housing, including PSH, and the city regularly explores other options with partners at the county level, such as the newly formed special district LACAHSA (Los Angeles County Affordable Housing Solutions Agency). However one challenge with PSH

units is that they typically require deep subsidies for operations in order to fund necessary wrap-around services, along with capital funds for construction. This typically requires long term, ongoing, and committed funding, and a lack of adequate committed funding can jeopardize a project's long term feasibility and ability to continue providing residents with necessary services. Project Based Vouchers, which are administered by the Housing Authority of the City of Los Angeles (HACLA) have generally filled this role of ongoing operating subsidy, but there are a limited number of PBVs available left. The City has launched an effort, working with LAHD and HACLA, to size the need for operating subsidies and identify funding sources to ensure that more PSH units can have the funding needed for operation. Projects within the city can also apply and compete for programs administered through the County, such as No Place Like Home funds, the County's Affordable Housing Program Budget Funds, as well as other time limited funding programs such as ARP funds, as well as state funds through programs such as the Homekey Program.

**Recommendation 1.6 The City and County must streamline the land acquisition process by removing unnecessary restrictions.**

It is our understanding that the land acquisition process is not hampered through restrictions such as existing zoning and other regulations, and is more strongly affected by increased acquisition costs. Land values within the city are historically high, and this can impact housing production through increased development costs. The city is implementing initiatives to streamline the development process and enable more by-right development approvals, which will have a more significant impact on housing production. Note that streamlining restrictions and creating by-right zoning can cause land values to *increase* because these efforts make it easier to develop and/or allow for more development. To ensure that this additional value created is captured by the City, the City is working to ensure that upzoning and streamlining requires the inclusion of affordable housing in projects that benefit from these significant value adds.

**Recommendation 1.8 The city should use available parking lots to provide a safe space to shelter people living in cars or RV's, including restrooms and trash removal**

The city is currently working to implement this finding, and is researching ways to expand it to more areas. The City is in the process of evaluating sites' suitability for safe parking and RV storage, and these sites include a variety of City, County, and other public entity owned sites. There are a variety of factors that influence if city owned sites are suitable for interim housing, and the number of sites suitable for safe parking and RV storage will be significantly smaller than the total number of available parking lots or city owned sites. The City is also implementing through its Inside Safe initiative a comprehensive interim housing strategy to move unhoused individuals and families into interim housing, and eventually into permanent housing.

The approved Fiscal Year 23-24 budget allocated $3 million through the Unappropriated Balance for a pilot program for RV storage. This program will develop and implement a citywide strategy to place those experiencing homelessness from recreational vehicles into interim or permanent housing, provide them compensation to give the City their RVs for storage and dismantlement, and to place them in permanent housing. The City Administrative Officer's homelessness team is the lead on implementing this effort.

**Recommendation 1.9 The City and County should appoint someone whose responsibility is to sue violating landlords, possibly contracting with private attorneys**

The City agrees with this finding in part. The Los Angeles Housing Department already coordinates with outside private attorneys, and refers source-of-income complaints to the Housing Rights Center, which is better equipped to investigate and litigate source-of-income discrimination. The City partners with HRC for a citywide fair housing program, which includes a wide range of anti-discrimination legal services. Along with investigative and potential litigative actions, HRC's services include legal and administrative referrals to state and federal fair housing agencies. The state has enacted its own ban on source-of-income discrimination, and state entities are better resourced to enforce these statutes.

**Recommendation 1.10 The City should build the prescribed Housing Element Allotment units.**

The city agrees in principle and is already working to implement what we believe is the intent of this recommendation. The City has been researching and implementing efforts that will remove barriers to producing more housing, to ensure that there is sufficient zoning capacity to meet the goals of the Housing Element. Program 121 RHNA Re-Zoning of the Housing Element requires City Planning to identify and recommend rezoning for a minimum of 124,880 moderate and above moderate income units, and a minimum of 130,533 lower income units by October 30, 2024. This rezoning will occur through updates to the City's 16 Community Plans, as well as citywide ordinances to create additional zoning capacity through expanding affordable housing incentive programs. The Department of City Planning has already launched the Citywide Rezoning program, which has seven components and will rezone for up to 250,000 new units.

The city as an entity does not build the units that are assigned to it under the Housing Element or the Regional Housing Needs Allocation nor is that the intent or direction of these State directives. These housing units are largely developed and constructed by private developers or nonprofit entities, and the scale of housing production is influenced by a number of factors. The city is undergoing multiple processes to enable and incentivize more housing production at various income levels, however the construction of these units will be conducted by these outside entities.

**Recommendation 1.12 a The City should use these new laws to encourage development and conversion of underutilized and vacant commercial buildings into housing.**

The city agrees with this finding and has already begun implementing it. The city has an existing Adaptive Reuse Ordinance, and is in the process of updating the ordinance to expand it citywide and create opportunities for adaptive reuse of commercial and office buildings into housing. Program 13 Adaptive Reuse of the City's Housing Element has the stated objective to implement revisions to the Citywide Adaptive Reuse Ordinance and/or the Density Bonus Ordinance, to include incentives and provisions for adaptive reuse. This program aims to explore additional incentives to facilitate housing production and adaptive reuse projects, through expanding by-right processes, reduced minimum unit sizes, reduced parking standards, flexible building standards, and increased flexibility on the types of uses and locations that can be converted through adaptive reuse. State legislation such as SB 6 and AB 211 allows the conversion of underutilized and vacant commercial buildings into housing, and the city does not prohibit developing underutilized or vacant commercial buildings into housing, provided that the proposals meet NOFA guidelines and are competitive compared to other proposed projects.

**Recommendation 1.13 The city should charge higher linkage fees.**
The city adopted the Affordable Housing Linkage Fee Ordinance in 2017, and the fee amount was determined after considerable research, financial analysis and outreach, with the full fee amount in effect in 2019. This fee amount was determined after extensive research to determine how to balance between maximizing potential revenue for affordable housing while remaining sensitive to individual submarkets. The Nexus Study examined a variety of fee scenarios, and examined a range of fee levels to inform the optimum fee amount while not discouraging housing development through an excessively high fee. The Affordable Housing Linkage Fee adjusts annually for inflation, and every 5 years market areas and geographies are adjusted when necessary to reflect the most up to date market trends.

**Recommendation 1.14 The City should facilitate alternate unit construction through various means such as loan guaranties and eliminating various entitlement and permitting obstacles.**
The City is already implementing this recommendation. In March 2023 the Los Angeles Housing Department launched the Fast Track Solutions Loan program, which provided additional gap financing for projects with immediate funding shortfalls, to ensure construction could commence in time for various state and federal deadlines. The Fast Track Solutions Loan program has expended all of its available funding, however the initial Measure ULA programs will provide up to $56M in additional funding for a similar program. The City is also launching an effort to study alternative financing mechanisms, including a potential guarantee program focused on encouraging lenders to underwrite to the rent levels provided by Section 8 tenant choice vouchers which can dramatically expand the ability for housing developers to access needed capital and provide more affordable units.

Executive Directive 1 (ED1) expedites the entitlement and permitting process for 100% affordable housing developments that are consistent with the underlying zoning for a site. In its first 6 months 1,649 affordable units across 22 projects have secured approvals in an average of 37 days, a savings of at least 6 months. There are over 400 projects and 8,500 units in the ED1 pipeline. In June 2023, the City Council directed the Department of City Planning to develop an ordinance that would make ED1 permanent.

**Recommendation 1.15 The City should eliminate or reduce the school tax for Mayor Bass's 100% affordable PSH.**
This recommendation cannot be implemented by the City. The school tax refers to the Los Angeles Unified School District Developer Fee. The City neither sets nor determines the Fee for new construction of any project type. While the City has an agreement with LAUSD to collect developer fees before issuing any building permits, the City does not have the ability to eliminate or reduce the fee for any projects. The Developer Fee is an impact fee used to fund school facilities, and offset increased demand from family units. There is also a mechanism for 100% PSH projects to be exempt from the Developer Fee, as affordable housing projects are not required to pay the fee for any units that can be reasonably expected to have no school aged children in residence, such as studio or one-bedroom units. Per recent Point In Time Homeless Counts, the homeless population in Los Angeles largely consists of single adults, and units constructed for these individuals could seek an exemption through existing means.

**Recommendation 1.16 Mayor Bass should extend her ED1 directive to include all affordable and low income housing.**
The City partially agrees. The Mayor issued Executive Directive 1 (ED1), which expedites the entitlement and permitting process for 100% affordable housing developments that are consistent with the underlying zoning for a site. In its first 6 months 1,649 affordable units across 22 projects have secured approvals in an average of 37 days, a savings of at least 6 months. There are over 400 projects and 8,500 units in the ED1 pipeline. In June 2023, the City Council directed the Department of City Planning to develop an ordinance that would make ED1 permanent.

The Housing Accountability Act (SB330) already has strong provisions for ensuring that the City must approve any housing projects that meet the City's zoning and objective design standards. However in some instances it is prudent for a project, even an affordable housing project, to be subject to the required discretionary review and public hearing process. Streamlining must be applied with care.

**Recommendation 1.17 The City should use the private capital group model for funding and construction of its 100% PSH.**
The city agrees in principle with this finding. The City has been researching through ongoing efforts alternatives financing models for 100% PSH projects. However PSH units are developed and constructed by private and nonprofit developers, and each organization determines their own financing plans for their projects. The city has an ongoing effort through ED 3 to see if publicly owned sites within the City of Los Angeles can be developed with minimal public subsidies. Outside of this effort, the City does not have a mechanism to require PSH developers to use or forgo specific financing models for their projects. It should also be noted that these projects generally require ongoing operating subsidies to maintain adequate property management and reserves for which there has yet to be identified a private funding mechanism given that these units do not generate profits.

**Recommendation 1.18 The City should avoid using tax credits for funding its 100% PSH construction**

The city agrees in part with this finding. The City has been researching alternatives to the tax credit model for financing 100% PSH projects. However PSH units are developed and constructed by private and nonprofit developers, and each organization determines their own financing plans for their projects. The city has an ongoing effort through ED 3 to see if publicly owned sites within the City of Los Angeles can be developed with minimal or no public subsidies such as tax credits, by exploring alternative funding models. Outside of this effort, the City does not have a mechanism to require PSH developers to forgo the tax credit financing model.

**Recommendation 1.19 No Recommendation.**

**Recommendation 1.20 There should be more voucher subsidies available to allow new permanent housing to be accessed by low income applicants.**

The city agrees with this finding but it requires funding that currently is not available. The city aims to ensure that ongoing demand for housing vouchers is met, however it does not have the funds available to directly finance all required operating subsidies nor the demand for tenant based vouchers. The city continues to lobby state and federal entities to expand funding for housing vouchers, and to ensure that the number of allocated vouchers matches demand. The United to House LA Measure (ULA) passed in 2022 and allocates funding for both rental assistance and operating assistance, and once fully implemented can provide some assistance directly to renters meeting certain criteria, and to projects to subsidize operations and services for affordable housing. However Measure ULA is currently facing legal challenges.

**Recommendation 1.21 The City and County should enforce the anti-discrimination laws against landlords.**

The City agrees with this finding in part. The Los Angeles Housing Department already coordinates with outside private attorneys, and refers source-of-income complaints to the Housing Rights Center, which is better equipped to investigate and litigate source-of-income discrimination. The City partners with HRC for a citywide fair housing program, which includes a wide range of anti-discrimination legal services. Along with investigative and potential litigative actions, HRC's services include legal and administrative referrals to state and federal fair housing agencies. The state has enacted its own ban on source-of-income discrimination, and state entities are better resourced to enforce these statutes. The City has also adopted a Tenant Anti-Harassment Ordinance, which protects tenants from harassment from landlords. This program took effect August 6, 2021, and will receive expanded funding through Measure to House ULA, along with additional aid to notify tenants of their rights.

**Recommendation 1.22 The City must allow funds to adequately provide for upkeep, repairs, additions and other necessary maintenance of repurposed properties into the future.**

The City agrees with this finding in part. When City funding is part of a project, the City requires projects' financial proformas to demonstrate adequate asset management reserves. The City is also working with stakeholders that own and operate permanent supportive housing to identify current needs for financing that will allow for adequate maintenance and repairs, as many of these properties have faced higher operational costs than anticipated and struggle with funding the needed repairs with rental income and operating subsidies available to them. However the City does not have a mechanism that can place maintenance reserve requirements on privately financed projects. Building upkeep, regular repairs, and other necessary maintenance is a responsibility of property owners and operators, and is funded through adequate operating and asset management reserves, which is typically raised in the initial development process and maintained throughout operations. The city operates a code enforcement team through the Housing Department that responds to complaints and issues related to building health. The Systematic Code Enforcement Program (SCEP) does regular inspections of rental units to ensure basic life safety and code compliance of privately owned units as well

**Recommendation 1.23 The City must streamline the permitting process to enable the necessary repairs, additions and other necessary maintenance to proceed in a timely manner for the low income, repurposed properties.**
The city agrees with this finding and has already begun implementing it. For properties that are repurposed for other uses, the Citywide Adaptive Reuse Ordinance, which is circulating for public comment, will streamline the permitting process for conversion of commercial properties to residential use. Through ED 1 and the efforts to codify ED 1 permanently, affordable housing projects can utilize expedited permitting and approvals.

**Recommendation 1.24 LAHSA needs to provide adequate housing navigators to assist the 10,000 people currently holding vouchers find rental units.**
LAHSA is a separate entity from the city. It is the city's understanding that LAHSA is hiring recruiters to support service providers to support a staffing caseload ratio of 1 to 20. The city's understanding is that LAHSA is also launching a series of Job Fairs and hiring events to support service providers in their hiring efforts, however LAHSA would require sufficient funding to support 166 Housing Navigators.

**Recommendation 1.25 The computer program Build LA should be expanded to include all affordable and low income housing construction projects.**
The city agrees with this finding and has already begun implementing it. Build LA is a wholesale revamping of the permitting system within LADBS, and will include all housing construction projects within the City of Los Angeles.

**Chief Executive Office.**

**COUNTY OF LOS ANGELES**
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, CA 90012
(213) 974-1101 ceo.lacounty.gov

**CHIEF EXECUTIVE OFFICER**
Fesia A. Davenport

August 31, 2023

To: Supervisor Janice Hahn, Chair
Supervisor Hilda L. Solis
Supervisor Holly J. Mitchell
Supervisor Lindsey P. Horvath
Supervisor Kathryn Barger

From: Fesia A. Davenport
Chief Executive Officer

**2022-2023 LOS ANGELES CIVIL GRAND JURY FINAL REPORT**

Attached are responses to the 2022-2023 Civil Grand Jury Final Report. We are responding to specific recommendations dealing with the following sections:

- Aging Out: Transitional Aged Youth
- All Aboard: Is Metro Rail on Track
- Civil Grand Jury Compensation
- Election Operations
- Have We M.E.T.? Mental Health Evaluation Teams and How They Work
- Housing Vouchers For Low income and Homeless Angelenos
- The Inmate Reception Center: An Outdated Process Imperils Staff, Inmates, and the Justice System
- Juvenile Justice CYA
- Lack of Housing: The Social Injustice of the 21st Century
- Los Angeles County Fire Department Workers Compensation
- Medi-Cal Reimbursement: The Final Resolution of an Ongoing Issue
- Proposition 19: Implementation and Related Matters
- Sheriff's Operations: Examining Transparency, Accountability, and Community Policing within the LASD
- Storm Water Capture and Wastewater Reuse
- Zero Emissions: Air Quality Monitoring

Attachment A represents the Chief Executive Officer's responses; Attachments B through V represent the departments' responses; and Attachment W represents a matrix of the questions and responses from each department.

If you have any questions regarding our responses, please contact me, or your staff may contact Cheri Thomas, by phone at (213) 974-1326 or by email at cthomas@ceo.lacounty.gov.

FAD:JMN:CT:md

Attachments

c: Executive Office, Board of Supervisors
County Counsel
District Attorney
Assessor
Sheriff
Auditor-Controller
Children and Family Services
Fire
Health Services
Human Resources
Internal Services
Mental Health
Probation
Public Health
Public Social Services
Public Works
Regional Planning
Registrar-Recorder/County Clerk
Los Angeles County Development Authority
Los Angeles County Metropolitan Transportation Authority
Los Angeles County Sanitation Districts
Los Angeles Homeless Services Authority

**RESPONSE TO THE CIVIL GRAND JURY FINAL REPORT**

COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE FOR THE BOARD OF SUPERVISORS

2022-2023 CIVIL GRAND JURY RECOMMENDATIONS FOR
LACK OF HOUSING. THE SOCIAL INJUSTICE OF THE 21$^{ST}$ CENTURY.

**RECOMMENDATION NO. 1.1**
Going forward, the City and County should ensure subsidy funding for Emergency Housing Vouchers (EHV) vouchers.

- EHV voucher funding will end in the fall of 2023.

RESPONSE
Partially agree. This recommendation will not be implemented as jurisdiction for this recommendation falls outside of the County. The County agrees with the need to ensure subsidy funding for EHV vouchers; however, since the EHV is a federally funded program, the County is unable to ensure subsidy funding for EHV vouchers. It should be noted that funding for the EHVs won't end in the fall of 2023, but rather new participants cannot be added beyond the fall of 2023. Additionally, as part of the County's advocacy efforts, LACDA as well as the County of Los Angeles BOS meet with members of the County's Congressional delegation on an annual basis to advocate for continued and increased funding for programs addressing housing and homelessness, such as the EHV program. It is our hope that the Federal government will fold the EHV program into the Housing Choice Voucher (HCV) program prior to the sunset of the EHV program.

**RECOMMENDATION NO. 1.5**
The City and County should find other ways of funding PSH.

- Public construction of low-income, permanent supportive housing (PSH) is usually accomplished by leveraging the funds from several different sources.

RESPONSE
Agree. This recommendation has been implemented. While PSH usually requires the leveraging of funds from several different sources, the City and County have identified new ways of funding PSH. Both the City and County provide subsidies for capital, rent, and supportive services for PSH utilizing various sources of funding. For example, the City recently found another way to fund PSH by passing Measure ULA, which is estimated to generate over $600M annually to fund subsidized housing development, housing acquisition and rehabilitation, rent assistance, and other housing- and homelessness-related purposes in the City of LA. In addition, the LACDA has recently issued Notices of Funding Availability for capital subsidy using one-time ARP funds, in addition to the County's annual allocation of Affordable Housing Program Budget Funds and the State's No Place Like Home funds. Further, the County has pursued funding for permanent supportive housing

development through the State's Homekey Program, which has awarded the County funds to develop more than 900 units, with additional proposals under consideration at this time. This funding, in combination with County funds, has enabled development of PSH with just two funding sources in most cases. Additionally, the L.A. County Affordable Housing Solutions Agency was recently formed to provide an additional facet of regional focus on creating more affordable housing, including PSH, throughout all of Los Angeles County (County).

**RECOMMENDATION NO. 1.6**
The City and County must streamline the land acquisition process by removing unnecessary restrictions.

- Land acquisition is hampered by restrictive zoning and other obstructive regulations.

RESPONSE
Agree. This recommendation has been implemented. In recent years, the County has passed numerous housing ordinances— Accessory Dwelling Unit (ADU) Ordinance, Density Bonus Ordinance, By Right Housing Ordinance, Housing Preservation Ordinance, Interim and Supportive Housing Ordinance—to remove barriers to housing.

The Housing Element, adopted by the BOS, includes proposed and ongoing programs that reduce regulatory barriers and provide incentives for private development. In recent years, the County has made significant progress in improving its development review process and procedures, as well as modifying development standards to facilitate residential development. There remain additional opportunities to remove barriers from the Zoning Code to accommodate the changing housing needs for unincorporated LA County. Another barrier is the entitlement process itself, which the County has helped to streamline through ordinance amendments, organizational change, technology, and increased efficiencies in case processing.

**RECOMMENDATION NO. 1.9**
The City and County should appoint someone whose responsibility is to sue violating landlords, possibly contracting with private attorneys.

RESPONSE
Partially agree. This recommendation requires further analysis.

On June 18, 2019, the BOS amended the County Code, Title 8 – Consumer Protection, Business and Wage Regulations Amendment Ordinance for adoption by repealing Chapter 8.58 entitled, "Mobilehome Park Tenant Protections," and adding Chapter 8.58 entitled, "Source of Income Protection," which prohibits discrimination based on an individual's source of income with respect to residential rental properties in the unincorporated territory of the County, except those properties that are defined as exempt.

The County currently funds the Housing Rights Center (HRC) to provide information and assistance to renters on matters concerning renters' rights, including source of income discrimination. HRC will also follow up directly with violating property owners, by phone or through written correspondence in an attempt to gain compliance, similar to the other jurisdictions cited in the report.

Also, County Code Sections 8.52.130.B(6) provide Anti-Harassment protections to tenants if a landlord violates any law which prohibits discrimination based on source of income. In addition, Section 8.52.170 allows tenant, or any person or entity acting on behalf of the tenant, including the County, to bring a civil action and/or proceeding for violation of Chapter 8.52, for civil penalties, injunctive, declaratory and other equitable relief, restitution and reasonable attorneys' fees and costs. There are similar provisions in Chapter 8.57.

Most recently, on July 11, 2023, the BOS asked County Counsel, in collaboration with the Department of Consumer and Business Affairs (DCBA), to report back within 10 months with a Right to Counsel ordinance for adoption to provide legal representation to eligible tenants. This ordinance would guarantee eligible tenants legal representation for unlawful detainer (eviction) lawsuits. (https://file.lacounty.gov/SDSInter/bos/supdocs/182295.pdf)

**RECOMMENDATION NO. 1.11**

The County should build the prescribed Housing Element Allotment units.

- The County's Housing Element Allotment is to build 5,644 new units in the unincorporated areas of the County.

RESPONSE

Disagree. This recommendation will not be implemented. The Regional Housing Needs Allocation (RHNA) as determined by Southern California Association of Governments (SCAG) for unincorporated Los Angeles County for the 2021-2029 Housing Element is 90,052, of which 39,339 must be for low- and very low-income households. Under State housing element law, the Housing Element and its attendant RHNA does not require or assign responsibility to any jurisdiction for the delivery or construction of units; rather, the RHNA for unincorporated County is the number of housing units that the County is required to plan for through its zoning authority. As such, the County is not responsible for the construction of any housing units.

**RECOMMENDATION NO. 1.12 (b)**

The County should use these new laws to encourage development and conversion of underutilized and vacant commercial buildings into housing.

- The State has passed SB 6 and AB 211 that allows conversion of underutilized and vacant commercial buildings to be converted into housing.

RESPONSE
Agree. This recommendation will be implemented. Both bills allow for residential development in mixed use and commercial areas, which is consistent with existing General Plan and zoning regulations in commercial and mixed-use zones in unincorporated LA County. In addition, the County is working on an adaptive reuse ordinance to identify additional incentives to encourage and streamline the adaptive reuse of underutilized and vacant commercial buildings into housing.

Additionally, the LACDA's Notice of Funding Availability (NOFA) does not prohibit the development of affordable housing using alternative development methodologies as long as they meet the NOFA guidelines. As such, the conversion of underutilized and vacant commercial buildings would be well-received as other methodologies such as manufactured housing and motel conversions have already been eligible for our funding. Affordable housing developers are most knowledgeable and proactive in identifying emerging opportunities in acquisition, construction, and financing that are the most effective in addressing the development of affordable housing.

**RECOMMENDATION NO. 1.19**
No recommendation

RESPONSE
No response

**RECOMMENDATION NO. 1.20**
There should be more voucher subsidies available to allow new permanent housing to be accessed by low-income applicants.

- The total allotment for U.S. Department of Housing and Urban Development (HUD) vouchers for the City is 58,000 per year.

RESPONSE
Agree. This recommendation will not be implemented as jurisdiction for this recommendation falls to the federal government. Voucher subsidies that support new permanent housing are federally funded, as allotted by HUD to public housing agencies. The City and County of Los Angeles each receive a separate allocation. As part of the County's advocacy efforts, the LACDA as well as the BOS meet with members of the County's Congressional delegation on an annual basis, to advocate for continued and increased funding for programs addressing housing and homelessness, such as voucher subsidies.

**RECOMMENDATION NO. 1.21**
The City and County should enforce the anti-discrimination laws against landlords.

- Many landlords violate the antidiscrimination law regarding renting to potential voucher holders

RESPONSE
Partially agree. This recommendation requires further analysis.

On June 18, 2019, the BOS amended the County Code, Title 8 - Consumer Protection, Business and Wage Regulations Amendment Ordinance for adoption amending County Code, Title 8 - Consumer Protection, Business and Wage Regulations by repealing Chapter 8.58 entitled, "Mobilehome Park Tenant Protections," and adding Chapter 8.58 entitled, "Source of Income Protection," which prohibits discrimination based on an individual's source of income with respect to residential rental properties in the unincorporated territory of the County, except those properties that are defined as exempt.

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Most recently, on July 11, 2023, the BOS asked County Counsel, in collaboration with DCBA, to report back within 10 months with a Right to Counsel ordinance for adoption to provide legal representation to eligible tenants. This ordinance would provide eligible tenants legal representation for any private civil lawsuits. (https://file.lacounty.gov/SDSInter/bos/supdocs/182295.pdf)

LAHSA
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Fax: 213 892.0093
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www.lahsa.org

# MEMO

**To:** Fesia A. Davenport, Chief of Los Angeles County

**From:** Dr. Valencia Adams Kellum, CEO

**Date:** July 28, 2023

**CC:** Dr. Holly Henderson, Director Risk Management; Nathaniel VerGow Deputy, Chief of Systems Officer; Rachel Johnson, Chief of Staff; Tifara Monroe, Deputy Chief/Sr. Advisor; Kristina Dixon Chief Financial Officer and Administrative Officer; Jeffrey Samson Deputy Chief Financial & Administration Officer

**Re:** LAHSAs response 2022-2023 Civil Grand Jury Letter

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Attached are the responses to the 2022-2023 Civil Grand Jury Final Reports, Aging Out Youth and Lack of Housing recommendations.

Sincerely,

Va Lecia Adams Kellum

Dr. Va Lecia Adams Kellum
Chief Executive Officer

**RESPONSE TO THE CIVIL GRAND JURY FINAL REPORT**

COUNTY OF LOS ANGELES
LOS ANGELES HOMELESS SERVICES AUTHORITY

2022-2023 CIVIL GRAND JURY RECOMMENDATIONS FOR
LACK OF HOUSING

## RECOMMENDATION NO. 1.2

LAHSA should have more than one document ready potential tenant for each unit, so that no units are left vacant waiting for qualified tenant.

RESPONSE

LAHSA agrees with recommendation No. 1.2 and is in the process of being implemented. LAHSA has implemented a new matching strategy for Project Based Units called batch matching. Batch matching is an innovative approach aimed at optimizing the utilization of available housing units by inviting eligible households to apply for PSH resources that allow them to be quickly matched and processed by the appropriate entities responsible to confirming client eligibility for a unit, followed by quick lease up/move-in support and connection to supportive services to achieve housing stability. It involves streamlining the process of matching potential clients with housing units by considering multiple eligible clients for each unit simultaneously. This strategy allows us to identify and assess a larger pool of candidates, thereby increasing the likelihood of filling vacancies promptly and efficiently.

Under the new Project Based Lease Up Model, 45 days prior to the anticipated Certificate of Occupancy, individuals who meet the eligibility and prioritization criteria for the property will receive notification regarding their potential eligibility for a unit at the specified property. They will be advised to promptly apply for the property, using our Universal Housing Application (UHA), for a potential match and application processing. The property management will process these applications in the order of their receipt, following the unit eligibility criteria, followed by a subsequent review and approval by the participating Public Housing Authority providing rental assistance for the property. If there are more approved applicants than available units in the building, the excess applicants will be placed on the property's waitlist. They will retain their eligibility for potential vacancies at the building throughout the lease-up process until 100% lease up is achieved. Additionally, they will remain eligible for consideration at other properties in the area, provided they meet project eligibility.

LAHSA continues to work with our partners such as DMH and DHS, as well as the Public Housing Authorities for both the City (HACLA) and County (LACDA) of Los Angeles, in efforts to adopt this model as an expansion for reducing vacancies within our projects which have turnover units as well. It is important to note that while batch matching offers significant advantages in reducing unit vacancies, it is not a one-size-fits-all solution. Certain factors, such as the availability of suitable housing units, the preferences and choices of potential clients, and the unique circumstances of each individual, can influence the effectiveness of the batch matching process. The goal of batch matching is to efficiently utilize housing resources and reduce vacancy rates, while fostering community building and prioritizing client choice. These objectives collectively contribute to the effectiveness and success of PSH programs in providing stable housing and support services to individuals experiencing chronic homelessness.

**RECOMMENDATION NO. 1.3**

LAHSA must revise the VI-SPDAT system to make it fairer for all applicants.

RESPONSE

LAHSA agrees with recommendation No. 1.3, and plans to implement. As a result of concerns with the VI-SPDAT, LAHSA stopped using the VI-SPDAT in interim housing and rapid rehousing programs in July 2022.

LAHSA was not able to stop using the tool for PSH matching as it is not possible to assess vulnerability using case conferencing for such a large homeless population, thus making it necessary rely on an assessment tool to identify vulnerability and potential PSH need. In Spring 2023, LAHSA piloted using VI-SPDAT scores with only a minimum threshold, as opposed to in descending order, to reduce the impact of in equities VI-SPDAT scores on PSH referrals.

In June 2023, the Coordinated Entry System (CES) Triage Tool Research and Refinement (CESTTRR) team released their final report. Please see LAHSA's responses and next steps for each of the recommendations provided in the CESTTRR report.

Recommendation 1: Implement the shorter more concise version of the Revised Triage Tool based upon data science recommendations and vetting/rewording by the Community Advisory Board.

- LAHSA plans to implement the new revised tool; to implement, LAHSA will hire a consultant to create and implement a training curriculum that will support the execution of this recommendation.

Recommendation 2: Implement the Revised Triage Tool's embedded practices that incorporate race equity and a trauma-informed approach. In addition, the Revised Triage Tool: (a) should not be used as an intake, nor conducted at intake; (b) the Revised Triage should be read word for word to clients, until case managers are comfortable enough to make minor "off script" adjustments; (c) the tool should be administered in a private place whenever possible so as to maximize client comfort in answering personal questions.

- LAHSA plans to implement the new revised tool; to implement, LAHSA will hire a consultant to create and implement a training curriculum that will support the execution of this recommendation.

Recommendation 3: Use the new scoring system that is anchored in predicting "adverse events."

- LAHSA will implement the new score system, with support from system partners and the CES Policy council.

Recommendation 4: Prioritize persons scoring above a new threshold or higher on the new scoring system for permanent supportive housing.

- LAHSA will implement the new score system, with support from system partners and the CES Policy council.

Recommendation 5: Incorporate additional information with the new scoring system to determine how housing will be allocated (i.e., matching decision)

- LAHSA will implement the new score system, with support from system partners and the CES Policy council. Other factors will be included in prioritization as well.

LAHSA looks forward to implementing these changes to create a more equitable and fair housing system.

**RECOMMENDATION NO. 1.24**
LAHSA needs to provide adequate housing navigators to assist the 10,000 people currently holding vouchers find rental units.

RESPONSE
LAHSA agrees with recommendation No. 1.24 and is in the process of being implemented. LAHSA meets with SPA wide community non -profit partners monthly basis to review client level progress and housing connections to ensure 100 percent slots utilization and staffing capacity to carry out the role. Housing Navigation (HN) is offered from one Access Center per SPA to support those participants who do not utilize Interim Housing Resources. HN is offered from Interim Housing (IH) sites throughout the County to support all participants entering interim housing programs to access HN services. LAHSA Technical advisors train interim housing providers on document collection to expedite housing match and connection to HN.

LAHSA scheduled a HN Bootcamp for the first week of August to ensure service providers and staff can support their participants fully within the program parameters.

LAHSA is hiring recruiters to support service providers hire staffing to support a 1 to 20 caseload ratio. LAHSA is launching five Job Fairs to support service providers in their hiring efforts. These Job Fairs are SPA-wide and located throughout the County of Los Angeles. To support 10,000 people currently holding vouchers, there would need to be sufficient funding for 166 Housing Navigators.

In support of this expansive need in the Homeless Services System, LAHSA is creating an Emergency Housing Navigation team, located within the Multi-Department Crisis Response Team Department, that will be nimble and mobile to respond quickly to the needs of service providers while they hire staff. LAHSA also continues to pursue all funding opportunities to add additional funds to Housing Navigation Programs throughout the program year. In addition, LAHSA will continue to work with service providers to ensure there are ample Housing Navigation staff and support in place to provide services to participants.

HACLA

**Build HOPE:** Investing in People and Place

August 30, 2023

Presiding Judge
Superior Court of California, County of Los Angeles
Clara Shortridge Foltz Criminal Justice Center
210 W. Temple Street, 13th Floor, Room 13-303
Los Angeles, CA 90012

Your Honor:

**<u>HACLA'S RESPONSE TO THE 2022-2023 LOS ANGELES COUNTY CIVIL GRAND JURY REPORTS:</u>**

- ***HOUSING VOUCHERS FOR LOW INCOME AND HOMELESS ANGELENOS*, and**
- ***LACK OF HOUSING: THE SOCIAL INJUSTICE OF THE 21ST CENTURY***

On June 21, 2023, the Housing Authority of the City of Los Angeles ("HACLA"), received Pre-Release Reports from the 2022-2023 County of Los Angeles Civil Grand Jury (the "Civil Grand Jury"). On or about July 3, 2023, the Civil Grand Jury published its Final Report. HACLA's governing body and agency head are required to provide responses to the findings and recommendations pertaining to matters under their control cited in both reports. *See* Pen. Code § 933(c). This letter constitutes the response of HACLA's Board of Commissioners and Chief Executive Officer to the reports entitled *Housing Vouchers for Low Income and Homeless Angelenos* and *Lack of Housing: The Social Injustice of the 21st Century.*

**<u>Agency Background</u>**

HACLA was established in 1938 by the City of Los Angeles Resolution No. 1241. HACLA has grown to become the second largest and leading public housing authority in the nation, providing the largest supply of quality affordable housing to residents of the City. HACLA's annual budget is close to $2 billion and through various resources, including federally-funded public housing and vouchers, houses over 105,000 Angelenos.

HACLA administers nearly 60,000 rental assistance vouchers across multiple federal programs including the Housing Choice Vouchers (HCV), Veterans Affairs Supportive Housing Vouchers (VASH), and more recently Emergency Housing Vouchers (EHV). For the last 15 years HACLA's HCV program has been rated as a "High Performer" by the U.S. Department of Housing & Urban Development (HUD) in its annual performance assessment. Additionally, HACLA's public housing program, with 6,393 public housing units, has been rated as a "High Performer" by HUD for 13 years. Through these programs along with its acquisition and development of affordable housing, HACLA is a principal player in providing much needed affordable housing in Los Angeles.

From January through June 2023, HACLA's Section 8 Department housed 2,733 new families and is on track to house 6,000 by the end the year. This is the largest number of new families HACLA has housed in a single year. Additionally, HACLA is utilizing 98% of the federal funds it receives for the HCV program. In July 2021, HACLA received 3,365 EHVs, the second largest allocation in the nation. As of the date of this response, 2,601 families have secured housing with an EHV. It has taken an immense effort and significant resources to reach this milestone, and no other housing authority, except for the New York City Housing Authority, has reached this number. HACLA is on track to reach 100 percent utilization of these vouchers by year-end. In furtherance of Los Angeles' housing goals, HUD recently awarded HACLA 250 new VASH vouchers on June 1, 2023, and 377 new Stability Vouchers are expected on August 1, 2023. These recent awards demonstrate HUD's confidence in HACLA.

The Section 8 Department is handling a very large volume of applicants and participants. Recognizing its continuing growth and operational complexities, in June 2022 HACLA initiated, with the assistance of Guidehouse, Inc., a consulting firm, an organizational assessment of the Section 8 Department to identify opportunities for operational improvements and streamlining. Since then, HACLA has implemented some quick-wins, and is continuing to identify areas for future, systemic, long-term modernization.

HACLA responds below to the findings and recommendations pertaining to matters under the control of HACLA and defers to other agencies to respond to those findings and recommendations pertaining to matters under their control.

## HOUSING VOUCHERS FOR LOW INCOME AND HOMELESS ANGELENOS

### FINDINGS REGARDING HACLA

1. *HACLA's caseworkers handle many parts of servicing HCV and EHV applicants and holders; whereas LACDA's work flow for handling HCVs and EHVs uses specialized teams or departments.*

**HACLA RESPONSE** – HACLA disagrees with this finding because, as set forth in HACLA's response to Recommendation 1.1 of this report below, HACLA uses a specialized team model.

2. *HACLA has difficulty recruiting and retaining employees for working on HCVs and especially the EHV temporary program.*

**HACLA RESPONSE** – HACLA agrees with this finding. During the COVID-19 pandemic HACLA experienced challenges in filling vacancies, especially for temporary work. Further details are provided in HACLA's response to Recommendation 1.2 of this report below.

3. *HACLA caseworkers sometimes do not give meaningful and prompt replies to inquiries from applicants, tenants and landlords.*

**HACLA RESPONSE** – HACLA agrees with this finding and is working to improve overall customer service across the agency. HACLA's Director of the Section 8 Department has met with staff in that department and reminded them of the importance of providing meaningful customer service. HACLA recently updated the staff performance evaluation tool, which includes a performance indicator related to customer service.

4. *HCV applicants and EHV homeless referrals must complete a "byzantine housing application process" and provide extensive documentation, not only of their income, but also identification and verification of citizenship, typically a birth certificate.*

**HACLA RESPONSE** – HACLA agrees with this finding. The voucher programs are federally funded and have federal requirements which HACLA must adhere to. For years, HACLA has advocated for changes to the programs that will reduce barriers to access. Recently, in March 2023, HACLA submitted a waiver request to the U.S. Department of Housing and Urban Development (HUD) to waive many of the burdensome application requirements for people experiencing homelessness. On July 18, 2023 and August 14, 2023, HACLA received a response from HUD providing limited approval of four of the eight waiver requests for a one year period. HACLA will continue its advocacy for streamlining program requirements. HACLA is working with Guidehouse to streamline the application process and paperwork required as well.

5. *When HACLA clients reach the point of getting selected to apply for and receive Section 8 vouchers, they are given a very limited period of time in which to complete the complex application and assemble the required documentation.*

**HACLA RESPONSE** – HACLA agrees with this finding. HACLA is required to comply with the federal requirement to issue vouchers within a specified time period.

6. *Holders of HCVs and EHVs navigate a difficult rental market and are given 180 days to find landlords who will accept their vouchers.*

**HACLA RESPONSE** – HACLA partially agrees with this finding. The City of Los Angeles has a difficult rental market with a vacancy rate of less than 3%. Although all voucher holders are usually provided with 180 days to find housing, HACLA modified its policy allowing up to 365 days for EHV participants. HACLA is currently evaluating this policy and will soon make appropriate adjustments to ensure that voucher holders have adequate time but not defer the housing search. HACLA is now providing services to voucher holders from a professional housing location/relocation company in order to assist participants in locating housing as soon as possible.

7. *Many HCVs/EHVs go unused because initial inspections and necessary re-inspections are not done in a timely manner.*

**HACLA RESPONSE** – HACLA disagrees with this finding. This finding is vague and the Civil Grand Jury did not identify any evidence supporting this finding. Additional information is provided within HACLA's response to Recommendation 1.9 of this report below.

8. *Despite HACLA's landlord outreach and incentive programs, many landlords remain reluctant to accept tenants using HCVs and EHVs.*

**HACLA RESPONSE** – HACLA agrees with this finding. HACLA is working with Mayor Bass to roll out a communication campaign that will encourage more landlords to accept tenants using vouchers.

9. *The Cecil Hotel in downtown Los Angeles and other SROs have large numbers of vacancies despite readiness and availability to accept HCV and EHV applicants.*

**HACLA RESPONSE** – HACLA partially agrees with this finding. HACLA agrees that the Cecil Hotel may have available rental units. However, voucher holders, not HACLA, choose the property and community they live in. HACLA is prohibited by HUD from steering voucher holders to a specific property.

10. *HACLA's low Unit Utilization Rate can be attributed in part to HACLA's conservative strategy of issuing no more EHVs than allocated it by HUD.*

**HACLA RESPONSE** – HACLA disagrees with this finding. The Civil Grand Jury did not provide evidence that additional issuance of vouchers could increase or expedite utilization. Additional information is provided in HACLA's response to Recommendation 1.10 of this report below.

11. *Many landlords and tenants, and even quite a few HACLA employees are unaware that FEHA prevents landlords from discriminating against tenants who plan to pay rent using government provided vouchers.*

**HACLA RESPONSE** – HACLA partially agrees with this finding. Many landlords and tenants may be unaware that FEHA prevents landlords from discriminating against tenants who plan to pay rent using government provided vouchers. However, HACLA disagrees with the vague finding that "quite a few HACLA employees" are unaware of this. It appears the Civil Grand Jury interviewed approximately *four* voucher department employees in preparing its report. HACLA provides annual trainings for its staff, conducts bi-monthly landlord orientations, and issues regular reminders via newsletters and forms to both voucher holders and landlords regarding this subject. HACLA will continue to issue information and guidance to all stakeholders.

12. *Although FEHA prevents landlords from discriminating against applicants and tenants who plan to pay rent using government provided vouchers, HACLA, and the Los Angeles City Attorney do little to enforce this law, and referrals for enforcement are seldom made.*

**HACLA RESPONSE** – HACLA partially agrees with this finding. HACLA agrees that some landlords discriminate against voucher holders in violation of the FEHA, but HACLA is not responsible for enforcing the FEHA, nor does it have the authority to do so. When HACLA becomes aware of alleged FEHA violations, it refers those matters to the Housing Rights Center. Additionally, HACLA welcomes enforcement by the City Attorney or other agencies, and we plan to meet with the City Attorney's Office to discuss whether they may be able to assist in this regard.

## FINDINGS RELATED TO MULTIPLE AGENCIES

20. *Having HACLA and LACDA performing the same tasks is an unnecessary duplication of effort and results in confusion and numerous inefficiencies.*

**HACLA RESPONSE** – HACLA disagrees with this finding. Each public housing authority is responsible for administering its own program and complying with federal regulations. Each public housing authority operates within the limits of specific jurisdictions authorized by HUD.

21. *LACDA has had considerably better results than HACLA in issuing vouchers and moving applicants into homes.*

**HACLA RESPONSE** – HACLA disagrees with this finding. This oversimplified comparison ignores the reality that LACDA and HACLA operate in different jurisdictions, serve different populations, encounter different challenges, and have different histories. For instance, while this finding is vague as to which voucher program it is referring to, if the reference is to the EHV program, the LACDA began issuing vouchers before HACLA because it already had an established team that transitioned from an expiring program to the new EHV program. HACLA had to hire and train new staff during the COVID-19 pandemic.

22. *HACLA's and LACDA's Section 8 HCV and EHV programs could be combined into one agency by agreement among the Board of Supervisors, the Los Angeles City Council and Mayor, HACLA, and LACDA. Already, numerous cities contract with LACDA to manage Section 8 programs.*

**HACLA RESPONSE** – HACLA disagrees with this finding. Each public housing authority is responsible for administering its own program and complying with federal regulations. Each public housing authority operates within the limits of specific jurisdictions authorized by HUD.

## RECOMMENDATIONS FOR HACLA

*1.1 HACLA should consider adopting LACDA's workflows for handling HCVs and EHVs, using specialized teams.*

**HACLA RESPONSE** – HACLA implemented this recommendation prior to this report. HACLA already operates in a specialized team model. Staff are responsible for handling specialized tasks such as reviewing applications, conducting housing quality standards inspections, reviewing leases, preparing housing assistance contracts, etc.

*1.2* HACLA *should consider using temporary workers to perform routine tasks and process paperwork that involve little or not client interface. When hiring, it should also explore recruiting non-traditional employees, such as retired people.*

**HACLA RESPONSE** – HACLA implemented this recommendation prior to this report. HACLA is already using temporary employees. With the support of its bargaining units, HACLA has been utilizing temporary workers to assist with various tasks related to issuing vouchers and preparing housing assistance contracts for the past year. Permanent employees are selected through a certified list of candidates who apply through an open and competitive recruitment. HACLA retirees receiving a public employees retirement benefit must comply with the employment restrictions set forth in their retirement plan. Nevertheless, all members of the public who believe they meet the minimum requirements are welcomed to apply.

In an effort to further expedite housing, as of February 2023, HACLA is also utilizing a third-party industry administrator, Nan McKay & Associates, to assist with preparing housing contracts for EHV and project-based voucher holders.

*1.3 HACLA should develop methods to assure that inquiries and complaints regarding Section 8 vouchers get meaningful responses within two business days.*

**HACLA'S RESPONSE** – HACLA implemented this recommendation prior to this report. This is already HACLA's internal response time requirement, whether a question or inquiry comes into the customer contact center or directly by phone or email to a staff person in any unit, including EHV and HCV. Supervisors continuously reinforce this requirement with their staffs and monitor its adherence, taking corrective actions as appropriate. Efforts to ensure full staffing in all units contributes to improvement in this crucial metric.

*1.4 HACLA's Section 8 application forms and instructions should be shortened and simplified.*

**HACLA'S RESPONSE** – HACLA implemented this recommendation prior to this report. As noted, HACLA is working with consultant Guidehouse and has already identified this as an area of improvement. The collaboration is in the process of shortening and simplifying Section 8 application forms and instructions while still meeting HUD regulations.

*1.5 HACLA should give applicants forms and instructions, along with appropriate assistance, in time so that the applications can be ready for filing and review at the earliest possible times well before their names come up for vouchers.*

**HACLA'S RESPONSE** – HACLA implemented this recommendation prior to this report. HUD requires that all application income verifications forms and documents be current within 60 days of voucher issuance. To meet this requirement, applicants are provided application packets with adequate advance notice to complete them timely with assistance available from Los Angeles Homeless Services Authority (LAHSA) supported case managers for special program applicants and HACLA staff for Section 8 waitlist applicants.

*1.6 HACLA should partner or leverage outside housing specialists to assist clients in navigating the complex process of applying for Section 8 vouchers.*

**HACLA'S RESPONSE** – HACLA implemented this recommendation prior to this report. Applicants are already connected with case workers assigned by LAHSA. They are responsible for providing wraparound services which include assistance with completing voucher applications, obtaining required identity and income documents, housing navigation and search, and facilitating move-ins. To further supplement this effort, HACLA now has an internal housing support specialist team and in June contracted with OPC/TranSystems, a relocation expert, to provide housing search assistance.

*1.7 HACLA should schedule inspections at the earliest possible time when it appears that they will be necessary, even if applications and other details have not been completed.*

**HACLA'S RESPONSE** – HACLA implemented this recommendation prior to this report. HUD requires that the proposed rental unit be inspected within 60 calendar days of the contract date. For this reason, potential rental units cannot be pre-inspected if the owner has not completed a Request for Tenancy Approval for a unit that the tenant has selected. However, HACLA has adjusted its internal process to negotiate the rent immediately upon receipt of the Request for Tenancy Approval, prior to the inspection rather than after, to reduce delays and more efficiently process the work. Prior to this change made in April, rent discussion with the owner took place after the unit was inspected by the inspections team. Many times, the inspection was fruitless because the owner was not in agreement with the rent offer. Or, an additional inspection was warranted to validate additional information provided by the owner, such as additional amenities. Delays in scheduling inspections are generally due to the owner or property manager indicating that unit has not been made ready for a new tenant, the units is not vacant or utilities have not been turned on. Approximately 50% of units fail their first-time inspection because deficiencies are identified in the unit.

*1.8 HACLA should creatively use HUD service fees as landlord incentives, including housing search assistance, application fees, utility hook-ups charges, security deposit assistance and a landlord mitigation fund.*

**HACLA'S RESPONSE** – HACLA implemented this recommendation prior to this report. HACLA already provides several landlord incentives to help facilitate the utilization of vouchers for people experiencing homelessness; these incentives are virtually the same as those offered by the LACDA. For EHV applicants, HACLA pays landlords a $2,500 signing on bonus, provides security deposit assistance and up to $5,000 in unit repairs. Funds for paying these incentives are covered with service fees received from HUD. Landlords willing to house an HCV client experiencing homelessness, are also eligible to receive similar incentives which are paid with Los Angeles County Measure H funds. Additional information is available on HACLA's website at hacla.org and attached to this response. See Attachments 1 and 2. These incentives have been offered since inception of the EHV program in 2021, and with passing of the County of Los Angeles Measure H in 2017.

To further supplement this effort in the EHV program, in June HACLA contracted with TranSystems Corp., formerly known as Overland, Pacific, and Cutler, a professional housing relocation firm, to provide housing search assistance. HACLA has hired designated housing support specialists to also facilitate housing search assistance. These efforts supplement the work of a real estate broker that HACLA has contracted with since the beginning of the EHV program that does outreach to landlords to secure property listings for applicants.

*1.9 HACLA should arrange to have many units in a SRO building inspected at one time, so that several units can be leased without inspectors duplicating efforts and making numerous separate trips to the site.*

**HACLA'S RESPONSE** – HACLA implemented this recommendation prior to this report. As noted in 1.7 above, HUD requires that the proposed rental unit be inspected within 60 calendar days of the contract date. For this reason, potential rental units cannot be pre-inspected if the voucher holder and owner have not completed a Request for Tenancy Approval for a unit that the tenant has selected. HACLA attempts to group inspections in the same building wherever possible, but inspecting units that applicants have not selected or may never select is not an efficient use of inspection resources.

*1.10 HACLA should consider implementing LACDA's more aggressive method of over-issuing EHV vouchers.*

**HACLA'S RESPONSE** – HACLA implemented this recommendation prior to this report. Although HACLA received 3,365 EHVs, it has issued 4,516 in anticipation that not all voucher holders will be successful. HACLA is closely monitoring the success rate of voucher holders and will issue more vouchers as needed. It is a balancing act to issue the appropriate number of vouchers so that the full allocation is utilized while avoiding:

- over-saturation and competition among all voucher holders (as well as renters without vouchers) for the same affordable units; and
- the problem of overissuing vouchers that later need to be rescinded due to full utilization of the allocation or insufficient funding, as has happened with other housing authorities.

HACLA's responsible approach is in line with HUD's expectations.

*1.11 HACLA should provide easy to read and understand written information about FEHA's antidiscrimination provisions to landlords and tenants, and should schedule seminars and/or webinars to educate the public on this topic.*

**HACLA'S RESPONSE** – HACLA implemented this recommendation prior to this report. HACLA already provides every voucher holder and landlord with easy to read and understand information about FEHA anti-discrimination provisions, including local Source of Income ordinances. Information is also provided in landlord and tenant newsletters and on HACLA's website. HACLA provides this information to landlords during HACLA landlord orientation sessions and in partnership with LAHD in their landlord information sessions as well.

*1.12 HACLA supervisors and caseworkers should be taught about FEHA and related local ordinances and should be trained on how and when to make referrals to the City Attorney or the HRC.*

**HACLA'S RESPONSE** – HACLA implemented this recommendation prior to this report. HACLA staff are already trained on FEHA and related local ordinances at least annually with additional training offered on a bi-monthly basis and assist clients with completing the federal forms. Staff have also been instructed on how to make referrals to HRC regarding local Source of Income discrimination, as HRC is the agency contracted by the City of Los Angeles for Source of Income discrimination enforcement. As noted previously, HACLA welcomes additional enforcement by the City Attorney or other enforcement agencies, and HACLA plans to discuss whether any such assistance may be available later this calendar year.

## RECOMMENDATION FOR MORE THAN ONE AGENCY

*1.20 HACLA's and LACDA's HCV and EHV programs should be administered by one agency by agreement among the Board of Supervisors, the Los Angeles City Council and Mayor, HACLA, and LACDA. This will eliminate unnecessary duplication of effort and expense, enable Los Angeles residents to use an agency with a demonstrated excellent track record and promote efficiency.*

**HACLA'S RESPONSE** – This recommendation will not be implemented because it is not warranted and is not reasonable. As detailed in the Background section of this response, HACLA has a demonstrated excellent track record as noted by its high performer rating by HUD, near full utilization of budgeted resources; extraordinary leasing efforts this year and continued award of new resources by HUD. As with all PHAS, HACLA administers its program and complies with all federal regulations within its significant jurisdiction as authorized by HUD in an effective manner. HACLA and LACDA collaborate, share best practices, and, more importantly, share one common goal – to end homelessness in Los Angeles.

## LACK OF HOUSING THE SOCIAL INJUSTICE OF THE 21ST CENTURY

## FINDINGS REGARDING HACLA

1. *EHV voucher funding will end in the fall of 2023.*

**HACLA'S RESPONSE** – HACLA disagrees with this finding. Funding for EHV is not ending in 2023 and leasing of EHV will continue beyond 2023 for any public housing authority who has available vouchers as clarified in HUD's PIH Notice 2023-14 issued on June 29, 2023.

2. *Units are often left empty, waiting for a tenant, because a potential tenant is not document ready to occupy the unit.*

**HACLA'S RESPONSE** – HACLA partially agrees with this finding. HACLA agrees with this finding to the extent that it refers to units tied to a Permanent Supportive Housing Project-Based Voucher. HACLA is working closely with the Los Angeles Homeless Services Authority and the Los Angeles Housing Department to improve the method and timeline for matching individuals and families to HACLA's units.

7. *HACLA does not inspect potential voucher funded units in a timely manner.*

**HACLA'S RESPONSE** – HACLA disagrees with this finding. HACLA inspects a unit only after a voucher holder has submitted a request for tenancy approval to HACLA and the owner has agreed to consider tenancy. Because HUD requires HACLA to inspect a unit within 60 days of the contact date, inspections cannot be conducted too far in advance. Furthermore, it is not the best use of staff resources to inspect a unit that may never get selected by a voucher holder.

*20. The total allotment for HUD vouchers for the City is 58,000 per year. These vouchers are all allocated.*

**HACLA'S RESPONSE** – HACLA partially agrees with this finding. HACLA's total allocation of vouchers is 57,985. At this time HACLA is expending the 98% of the annual funds made available by HUD to make rental payments.

*21. Many landlords violate the antidiscrimination law regarding renting to potential voucher holders.*

**HACLA'S RESPONSE** – HACLA partially agrees with this finding. HACLA believes that some, not necessarily many, landlords may violate antidiscrimination law, but does not have evidence on this point.

*24. There are 10,000 people with vouchers in the City who have been unable to find housing.*

**HACLA'S RESPONSE** – HACLA disagrees with this finding. There are approximately 3,100 voucher holders looking for housing at this time.

## RECOMMENDATIONS

*1.7 HACLA must implement procedures to inspect potential voucher funded units in a timely manner.*

**HACLA'S RESPONSE** – HACLA implemented this recommendation prior to this report and will continue to implement procedures to inspect properties in a timely manner. The average time period from receiving an inspection request to scheduling the inspection is three days, with shortest being one day and longest being 12 days. The primary reason for a delay is the inability to reach the owner or property manager to schedule the inspection. The average time from scheduling an inspection to conducting the inspection is four days, with the shortest being two days and the longest being 14 days. The primary reason is for any delay is that the property has not been made ready for a new tenant (the unit is not vacant, housekeeping and maintenance is required, utilities are not turned on, etc.). Almost 50% of units must be re-inspected to correct deficiencies cited in the initial inspection.

HACLA conducts over 60,000 inspections every calendar year – a huge undertaking for any organization. As stated above, HACLA is pursuing technological improvements for scheduling and communicating with property owners and managers.

**Closing Statement**

HACLA recognizes that all public entities, including HACLA, can and should improve their delivery of services. People experiencing homelessness face many housing barriers, including discrimination, in a challenging Los Angeles rental market of low vacancies and high rents. HACLA leadership wishes to express its sincere appreciation to HACLA staff for their tireless dedication and to property owners for supporting the agency's mission to preserve, enhance, and expand deeply affordable housing opportunities that improve the quality of life for all Angelenos.

Sincerely,

Cielo V. Castro

Cielo Castro
Chairperson, Board of Commissioners

Douglas Guthrie

Doug Guthrie
President and CEO

Attachments 1 and 2

# LOS ANGELES COUNTY FIRE DEPARTMENT WORKERS' COMPENSATION

2022 – 2023

LOS ANGELES COUNTY

CIVIL GRAND JURY

**Chief Executive Office.**

**COUNTY OF LOS ANGELES**
Kenneth Hahn Hall of Administration
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(213) 974-1101 ceo.lacounty.gov

**CHIEF EXECUTIVE OFFICER**
Fesia A. Davenport

August 31, 2023

To: Supervisor Janice Hahn, Chair
Supervisor Hilda L. Solis
Supervisor Holly J. Mitchell
Supervisor Lindsey P. Horvath
Supervisor Kathryn Barger

From: Fesia A. Davenport
Chief Executive Officer
FOR

## 2022-2023 LOS ANGELES CIVIL GRAND JURY FINAL REPORT

Attached are responses to the 2022-2023 Civil Grand Jury Final Report. We are responding to specific recommendations dealing with the following sections:

- Aging Out: Transitional Aged Youth
- All Aboard: Is Metro Rail on Track
- Civil Grand Jury Compensation
- Election Operations
- Have We M.E.T.? Mental Health Evaluation Teams and How They Work
- Housing Vouchers For Low income and Homeless Angelenos
- The Inmate Reception Center: An Outdated Process Imperils Staff, Inmates, and the Justice System
- Juvenile Justice CYA
- Lack of Housing: The Social Injustice of the 21st Century
- Los Angeles County Fire Department Workers Compensation
- Medi-Cal Reimbursement: The Final Resolution of an Ongoing Issue
- Proposition 19: Implementation and Related Matters
- Sheriff's Operations: Examining Transparency, Accountability, and Community Policing within the LASD
- Storm Water Capture and Wastewater Reuse
- Zero Emissions: Air Quality Monitoring

Attachment A represents the Chief Executive Officer's responses; Attachments B through V represent the departments' responses; and Attachment W represents a matrix of the questions and responses from each department.

If you have any questions regarding our responses, please contact me, or your staff may contact Cheri Thomas, by phone at (213) 974-1326 or by email at cthomas@ceo.lacounty.gov.

FAD:JMN:CT:md

Attachments

c: Executive Office, Board of Supervisors
County Counsel
District Attorney
Assessor
Sheriff
Auditor-Controller
Children and Family Services
Fire
Health Services
Human Resources
Internal Services
Mental Health
Probation
Public Health
Public Social Services
Public Works
Regional Planning
Registrar-Recorder/County Clerk
Los Angeles County Development Authority
Los Angeles County Metropolitan Transportation Authority
Los Angeles County Sanitation Districts
Los Angeles Homeless Services Authority

**RESPONSE TO THE CIVIL GRAND JURY FINAL REPORT**

COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE FOR THE BOARD OF SUPERVISORS

2022-2023 CIVIL GRAND JURY RECOMMENDATIONS FOR
LOS ANGELES COUNTY FIRE DEPARTMENT WORKERS' COMPENSATION

**RECOMMENDATION NO. 1.1.a**
The CEO should carefully consider its renewal options with Sedgwick as the sole-source contracted Third Party Administrator (TPA) for workers compensation (WC) claims administration by soliciting multiple TPAs and awarding at least two independent contracts.

RESPONSE
Agree. This recommendation has been implemented. The BOS defers to the Chief Executive Office's (CEO) response for further information on the implementation.

**RECOMMENDATION NO. 1.1.b**
LACoFD should be invited to participate in the development of the renewal of the TPA Unit C contract.

RESPONSE
Disagree. This recommendation will not be implemented. The BOS defers to the LACoFD and CEO's response for further information.

**RECOMMENDATION NO. 1.2.a**
LACoFD, working with the CEO and Department of Human Resources (DHR), should amend the existing TPA Unit C contract with Sedgwick to include detailed Account Service Instructions (ASIs) on preferred methods of claims management for the remainder of the existing contract. Future contracts with any TPA must include these ASIs.

RESPONSE
Disagree. This recommendation will not be implemented. The BOS defers to the LACoFD and CEO's responses for further information.

**RECOMMENDATION NO. 1.2.b**
The Account Service Instructions (ASI) amendments should direct Sedgwick adjusters to provide "point of entry" authorization for all firefighter WC claims for the remainder of the existing contract. Future contracts with any TPA must include these ASIs.

RESPONSE
Disagree. This recommendation will not be implemented. The BOS defers to the LACoFD and CEO's responses for further information.

**RECOMMENDATION NO. 1.2.c**

The ASI amendments should include penalties for delays in claims caused by Sedgwick's claims handling that result in LACoFD having to use overtime staffing for the remainder of the existing contract. Future contracts with any TPA must include these ASIs.

RESPONSE

Disagree. This recommendation will not be implemented. The BOS defers to the LACoFD and CEO's responses for further information on the implementation.

**RECOMMENDATION NO. 1.2.d**

LACoFD should consider arranging "ride-alongs" to help claims adjusters better understand the nature of firefighters work by observing their activities.

RESPONSE

Disagree. This recommendation will not be implemented. The BOS defers to the LACoFD's response for further information on the implementation.

**RECOMMENDATION NO. 1.3**

The ASI amendments should authorize TPA adjusters to pay up to 25 percent more than the Office Medical Fee Schedule (OMFS) standard fees for doctors to treat firefighter patients in order to expedite treatment and recovery for the remainder of the existing contract. Future contracts with any TPA must include these ASIs.

RESPONSE

Disagree. This recommendation will not be implemented. The BOS defers to the LACoFD and the CEO's responses for further information on the implementation.

**RECOMMENDATION NO. 1.4**

LACoFD should work with DHR to expand the contracted clinic network to expedite treatment for the most common firefighter injuries, particularly orthopedic injuries.

RESPONSE

Partially agree. This recommendation will be implemented.

The CEO will implement this recommendation and provide clarification. The workers' compensation medical provider network (MPN) is administered by CorVel Corporation (CorVel) under contract with the County. Currently, Local 1014, Fire Management, and CEO staff are discussing the expansion of the prior authorization program. New facilities will be vetted by participating parties (including CorVel), and after consensus is reached, included in the prior authorization program. DHR is not involved with this process.

**RECOMMENDATION NO. 1.5**

LACoFD should authorize firefighters' WC claims immediately, and not contest such claims, except where fraud or demonstrable misconduct is suspected.

RESPONSE

Disagree. This recommendation will not be implemented. The BOS defers to the LACoFD and the CEO's responses for further information on the implementation.

**RECOMMENDATION NO. 1.6.a**

LACoFD should offer financially attractive buy-outs of California Labor Code (LC) 4850 benefits for firefighters who are permanently disabled or forced by injuries into retirement. This would allow firefighters to retire and be replaced by permanent hires.

RESPONSE

Partially disagree. This recommendation requires further analysis. Settlements of LC 4850 benefits may not be supported by existing law and would unlikely be approved by the Workers' Compensation Board. The analysis of all settlements needs to be conducted on a case-by-case basis and subject to review and approval of all parties. The BOS defers to the LACoFD and the CEO's responses for further information on the implementation.

**RECOMMENDATION NO. 1.6.b**

LACoFD should continue to offer frequent Academy classes in order to hire more recruits. This will reduce reliance on backfill overtime staffing.

RESPONSE

Agree. This recommendation has been implemented. The BOS defers to the LACoFD's response for further information on the implementation.

**RECOMMENDATION NO. 1.7.a**

LACoFD should make full use of CEO Risk Management's Ventiv Claims Enterprise (VCE) to manage WC claims and its Return-to-Work (RTW) program.

RESPONSE

Agree. This recommendation will be implemented. The BOS defers to the LACoFD and the CEO's responses for further information on the implementation.

**RECOMMENDATION NO. 1.7.b**

DHR should assist LACoFD by developing a comprehensive Disability Compliance Record module as part of VCE.

RESPONSE

Agree. This recommendation will be implemented. The BOS defers to the LACoFD and the CEO's responses for further information on the implementation.

**RECOMMENDATION NO. 1.8**

LACoFD should continue to develop creative RTW strategies, such as remote work by computer, work from home, and community service work.

RESPONSE
Agree. This recommendation has been implemented. The BOS defers to the LACoFD's response for further information on the implementation.

**RECOMMENDATION NO. 1.9**
LACoFD should continue to emphasize firefighter training and physical and mental fitness programs to control the frequency and severity of injuries/illnesses.

RESPONSE
Agree. This recommendation will be implemented. The BOS defers to the LACoFD's response for further information on the implementation.

**RECOMMENDATION NO. 1.10**
LACoFD should continue to reach out to firefighters on disability through frequent personal contact by peers and supervisors as part of its employee wellness programs.

RESPONSE
Agree. This recommendation has been implemented. The BOS defers to the LACoFD's response for further information on the implementation.

**RESPONSE TO THE CIVIL GRAND JURY FINAL REPORT**

COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE

2022-2023 CIVIL GRAND JURY RECOMMENDATIONS FOR
LOS ANGELES COUNTY FIRE DEPARTMENT WORKERS' COMPENSATION

**RECOMMENDATION NO. 1.1.a**
The CEO should carefully consider its renewal options with Sedgwick as the sole-source contracted TPA for WC claims administration by soliciting multiple TPAs and awarding at least two independent contracts.

RESPONSE
Agree. This recommendation has been implemented.

Since 1986, the County has always contracted with more than one TPA to provide workers' compensation claims administration services per workers' compensation claims services solicitation. On March 5, 2019, the CEO recommended the BOS approve contracts with York Risk Services Group (York) and Sedgwick Claims Management, Inc. (Sedgwick). The BOS approved the contracts on March 26, 2019, for the two TPAs; however, Sedgwick subsequently purchased York. The contract with Sedgwick was competitively bid and was not presented or contracted as a "sole-source" contract.

In recent years, the workers' compensation claims administration industry has experienced difficulties in recruiting competent claims staff and an escalation in salaries. Therefore, CEO will perform further analysis with respect to exercising the contract option years.

**RECOMMENDATION NO. 1.1.b**
[redacted]

RESPONSE
Disagree. This recommendation will not be implemented as specified below.

Currently, LACoFD and CEO staff meet regularly to discuss workers' compensation claims administration. These meetings address a variety of issues that may be incorporated into future workers' compensation claims administration statement of works. Furthermore, LACoFD and CEO staff regularly work with the TPA to adjust the framework of the administration of workers' compensation claims to accommodate issues as they arise.

Under County Code Section 5.31.050, and through delegation, the CEO is mandated to "establish, administer, and operate, as part of the Countywide safety program, a complete self-insured workers' compensation system to ensure the full provision of benefits under the law to employees whose injuries arise out of and in the course of employment." CEO Risk Management staff are highly specialized personnel with expertise in all facets of Risk Management, including workers' compensation. While input from County departments is vital and encouraged, the final decisions must be made by these industry professionals in accordance with local and State statutes.

**RECOMMENDATION NO. 1.2.a**

LACoFD, working with the CEO and Department of Human Resources (DHR), should amend the existing TPA Unit C contract with Sedgwick to include detailed ASIs on preferred methods of claims management for the remainder of the existing contract. Future contracts with any TPA must include these ASIs.

RESPONSE

Disagree. This recommendation will not be implemented.

The ASI model is already incorporated within the contract. Currently, workers' compensation claims administration is performed under client-specific claim handling protocols. Those protocols can be found in the Statement of Work, County of Los Angeles Select Policies and Standards, County of Los Angeles Utilization Review Guidelines, County of Los Angeles Workers' Compensation Audit Manual, and Sedgwick's Claims Administration Procedure Manual.

**RECOMMENDATION NO. 1.2.b**

The ASI amendments should direct Sedgwick adjusters to provide "point of entry" authorization for all firefighter WC claims for the remainder of the existing contract. Future contracts with any TPA must include these ASIs.

RESPONSE

Disagree. This recommendation will not be implemented.

It is irresponsible to provide blanket approval of all workers' compensation claims. Currently, Sedgwick claims examiners authorize medical treatment using the County-developed utilization review guidelines. These guidelines were developed with input from physicians that treat County firefighters and are intentionally liberal. Overall claims administration is expected to be advocacy-based and managed as directed under Statement of Work paragraphs 1.5.1 and 1.5.2.

**RECOMMENDATION NO. 1.2.c**

The ASI amendments should include penalties for delays in claims caused by Sedgwick's claims handling that result in LACoFD having to use overtime staffing for the remainder of the existing contract. Future contracts with any TPA must include these ASIs.

RESPONSE

Disagree. This recommendation will not be implemented.

This recommendation does not take the LACoFD's return-to-work obligations into account and oversimplifies the complexity of physician, employee, and LACoFD role in overtime usage. Furthermore, CEO staff believe no workers' compensation third party administrator would agree to penalties or excess cost provisions related to an employer's overtime usage. The current Statement of Work requires repayment for the following:

- Late payment, inaccurate payments, or nonpayment of any benefit to any applicant or medical provider resulting in penalty, interest, or attorney fees.
- Overpayment of any benefit owed to any applicant, lien claimant, or other party in a case due to Contractor's failure to comply with the performance standard set forth in Appendix A, Scope of Work, Paragraph 1.0.
- Excess payment of any benefit to any applicant, lien claimant, or other party in a case due to Contractor's failure to comply with the performance standard set forth in Appendix A, Scope of Work, Paragraph 1.0.
- Fines and/or administrative penalties assessed against the County due to the Contractor's failure to comply with the performance standard set forth in Appendix A, Scope of Work, Paragraph 1.0.

Including a reimbursement provision related to non-workers' compensation benefits would have a negative impact on the competitive bidding process and could make third party administrative services cost prohibitive. In addition, enforcement of this provision would be arbitrary.

**RECOMMENDATION NO. 1.3**
The ASI amendments should authorize TPA adjusters to pay up to 25 percent more than the Office Medial Fee Schedule (OMFS) standard fees for doctors to treat firefighter patients in order to expedite treatment and recovery for the remainder of the existing contract. Future contracts with any TPA must include these ASIs.

RESPONSE
Disagree. This recommendation will not be implemented.

Currently, firefighters have access to high quality "funnel" orthopedic facilities. These facilities have prior approval status and are willing to expedite evaluation and treatment for Los Angeles County firefighters.

Under California Labor Code Section 5307.1, the official medical fee schedule establishes a reasonable maximum fee for medical services. In addition, under County Code Section 5.31.050, the County of Los Angeles self-insured workers' compensation program is mandated to "control of workers' compensation costs consistent with provision of full benefits under the law." Increasing the payments to medical treatment providers above the statutory reasonable maximum is not consistent with good governance of scarce tax dollars. The impact could increase

LACoFD workers' compensation costs by $4M-$5M annually without any evidence that the increased compensation to physicians would expedite treatment or benefit the injured employee.

On July 6, 2023, CEO staff verified that the City of Long Beach does not pay treating physicians "25 percent over the standard OMFS fees" (see Los Angeles County Fire Department Workers' Compensation Report 2022-2023 Los Angeles County Civil Grand Jury, pg. 12).

**RECOMMENDATION NO. 1.4**
LACoFD should work with DHR to expand the contracted clinic network to expedite treatment for the most common firefighter injuries, particularly orthopedic injuries.

RESPONSE
Partially agree. This recommendation will be implemented.

The CEO will implement this recommendation and provide clarification. The workers' compensation medical provider network (MPN) is administered by CorVel Corporation (CorVel) under contract with the County. Currently, Local 1014, Fire Management, and CEO staff are discussing the expansion of the prior authorization program. New facilities will be vetted by participating parties (including CorVel), and after consensus is reached, included in the prior authorization program. DHR is not involved with this process.

**RECOMMENDATION NO. 1.5**
LACoFD should authorize firefighters' WC claims immediately, and not contest such claims, except where fraud or demonstrable misconduct is suspected.

RESPONSE
Disagree. This recommendation will not be implemented.

This recommendation is not consistent with statute. Under California Labor Code Section 3600, an employer is liable for compensation "for any injury sustained by his or her employees arising out of and in the course of the employment." Similar language is found in County Code Section 5.31.050, which requires an investigation and compensability determination. The acceptance of an industrial injury must be based on factual, legal, or medical grounds. This recommendation would be in direct violation of these statues, incentivizes abuse, and will result in increased costs.

**RECOMMENDATION NO. 1.6.a**
LACoFD should offer financially attractive buy-outs of LC 4850 benefits for firefighters who are permanently disabled or forced by injuries into retirement. This would allow firefighters to retire and be replaced by permanent hires.

RESPONSE
Partially disagree. This recommendation requires further analysis.

CEO will continue to work collaboratively with LACoFD and County Counsel on the analysis to ensure any settlement offer is reasonable and weighs available resources and competing priorities. This recommendation will be predicated on an injured firefighter's willingness to retire prior to using the full year of the LC 4850 benefit. While receiving LC 4850 benefits, the firefighter continues to accrue retirement service time and other employment benefits that might be paid pre-retirement and pensionable. A settlement of LC 4850 benefits may not be supported by existing law and would unlikely be approved by the Workers' Compensation Board. The analysis of all settlements needs to be conducted on a case-by-case basis and subject to review and approval of all parties.

**RECOMMENDATION NO. 1.7.a**
LACoFD should make full use of CEO Risk Management's Ventiv Claims Enterprise (VCE) to manage WC claims and its RTW program.

RESPONSE
Agree. This recommendation will be implemented.

Ventiv Technology and LACoFD Disability Management and Compliance Section (DMCS) staffs are periodically meeting to review business requirements. The data conversion and full implementation will begin once Ventiv's Amendment Six is approved. CEO staff estimates this will take approximately six months.

**RECOMMENDATION NO. 1.7.B**
DHR should assist LACoFD by developing a comprehensive Disability Compliance Record module as part of VCE.

RESPONSE
Agree. This recommendation will be implemented. The CEO defers to DHR and the LACoFD's responses for further information on the implementation.

ANTHONY C. MARRONE
FIRE CHIEF
FORESTER & FIRE WARDEN

*"Proud Protectors of Life, the Environment, and Property"*

# COUNTY OF LOS ANGELES
# FIRE DEPARTMENT

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LOS ANGELES, CALIFORNIA 90063-3294
(323) 881-2401
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THIRD DISTRICT
KATHRYN BARGER
FIFTH DISTRICT

July 21, 2023

TO: FESIA DAVENPORT, CHIEF EXECUTIVE OFFICER

FROM: ANTHONY C. MARRONE, FIRE CHIEF

**RESPONSES TO THE 2022-23 LOS ANGELES COUNTY CIVIL GRAND JURY FINAL REPORT**

As requested in your memo dated July 3, 2023, attached are the Los Angeles County Fire Department's responses to the following recommendations from the 2022-23 Civil Grand Jury Final Report:

- Have we M.E.T? Mental Health Evaluation Teams and How They Work, Recommendation Numbers 1.2b, 1.3, 1.4a, 1.4b, 1.6, 1.7.
- Los Angeles County Fire Department Workers Compensation, Recommendation Numbers 1.1b, 1.2a, 1.2b, 1.2c, 1.2d, 1.3, 1.4, 1.5, 1.6a, 1.6b, 1.7a, 1.7b, 1.8, 1.9, 1.10.

Should you have any questions, please contact me directly at (323) 881-6180.

ACM:al

Attachments (2)

SERVING THE UNINCORPORATED AREAS OF LOS ANGELES COUNTY AND THE CITIES OF:

AGOURA HILLS
ARTESIA
AZUSA
BALDWIN PARK
BELL
BELL GARDENS
BELLFLOWER
BRADBURY
CALABASAS
CARSON
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SOUTH EL MONTE
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WHITTIER